



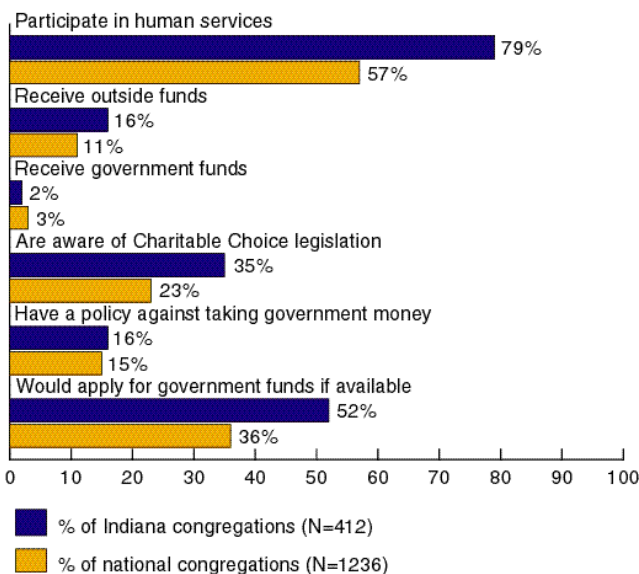
Indiana Congregations and Charitable Choice



Introduction. Governor Frank O'Bannon and the Indiana Family and Social Services Administration established FaithWorks Indiana in 1999 to assist faith-based organizations in providing human services under federal Charitable Choice legislation. As part of the comprehensive welfare reforms of 1996, Charitable Choice encourages faith-based organizations to access available government funding for social welfare programs. In April 2000, a statewide survey was conducted to assess the capacity of congregations to provide human services and to determine their interest in receiving government funding.¹ The survey mirrored, in part, the National Congregations Survey and allowed a comparison of Indiana to the nation.²

On the whole, Indiana congregations sponsor and participate in human service programs more often than do congregations nationally (see Figure 1). They are somewhat more likely to receive outside funds to support their programs but are somewhat less likely to receive government funds for programs than are congregations elsewhere. More Indiana congregations report awareness of the Charitable Choice provision than do congregations nationally. Also, more Indiana congregations say they are likely to apply for government funding for their human service programs than do congregations nationally.

Figure 1. Congregations, Human Services, and Government Funding: Indiana and the Nation



What kinds of programs do Indiana congregations have?

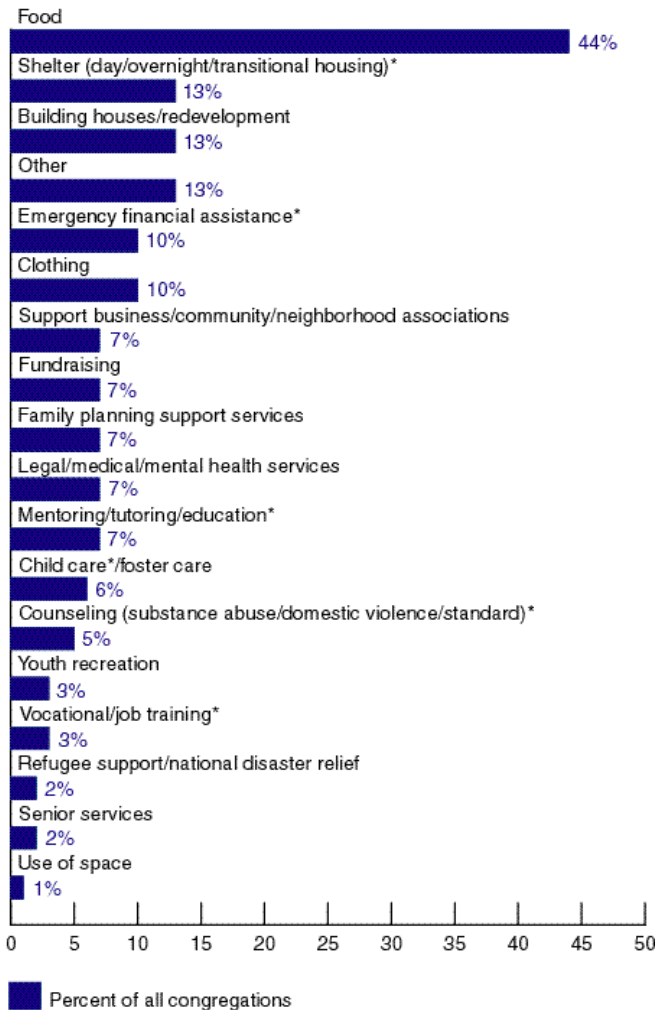
Of the 412 Indiana congregations in the survey, over three-fourths sponsor some sort of human service activity. The most typical program offered by Indiana congregations, as in the nation, is a food-related program (see Figure 2).

The most important findings from this survey overall are:

- Indiana congregations are more likely to participate in human service activities than are congregations nationally (79% to 57%).
- A majority of Indiana congregations (58%) support three or more activities; the most frequently offered programs are food, shelter, and emergency financial assistance.
- A small minority of Indiana congregations (16%) receive outside support for their programs, but a slight majority (52%) are interested in governmental funding.
- Slightly over two percent (2%) currently receive any government funds.
- Mainline congregations (69%) are more willing to apply for government funding to support social service outreach activities than theologically conservative congregations (45%).
- Larger congregations are more willing than smaller congregations to consider government funding for their programs.
- A significant majority of congregations (60%) would spend available government funds to institute new or expand existing programming rather than spend money on non-program activities such as marketing or administration. Nonetheless, they do not rate money as important as leadership in starting human service programs.
- Congregations report generally high levels of satisfaction with how well their current programs are going.
- About one-third of congregations have heard about FaithWorks.
- Those programs most likely to receive governmental money are among the most infrequent programs congregations offer.

Figure 2. Human Service Programs Provided by Congregations

Program Type



Forty-four percent (44%) of all Indiana congregations offer a food pantry or food vouchers. The next highest categories are shelter, emergency financial assistance, and clothing.

The programs in food, shelter, emergency financial assistance, and clothing comprise 51 percent of all human service programs Indiana congregations provide. Meeting immediate, short-term needs of individuals is more typical of all congregations in Indiana and nationally than is sustained involvement to meet longer-term social goals.

How does size of congregations affect their programs?

The size of a congregation is related to the kinds of programs offered. Small congregations (150 members or fewer) constitute the majority of congregations in Indiana; consequently, they offer the most programs. Over two-thirds of small congregations offer more than one program; as a group they provide more than half of all programs in food, shelter, financial assistance, clothing, fundraising, mentoring/tutoring/education, youth

recreation, vocational/job training, and national disaster relief. Among all but one of the remaining categories, the majority of the programs are offered by medium size congregations. These programs include building houses, family planning support services, legal/medical/mental health services, child/foster care, counseling, senior services, and use of physical space. Large congregations do not predominate in any of these areas.

Does location make a difference?

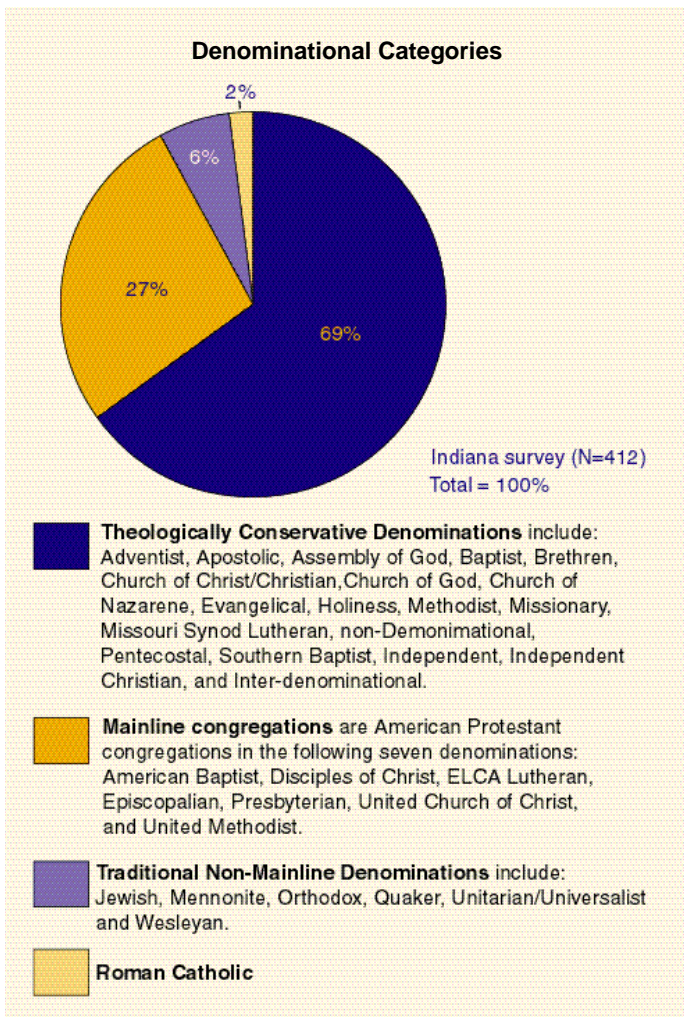
Rural congregations offer more of each type of program, perhaps because the poverty rate is higher in rural areas than in cities. The suburban and urban congregations have a lower percentage of congregational human service programs. Urban congregations more frequently offer legal, medical, and mental health services. Childcare, counseling, and providing use of physical space are more frequent in suburban locations.

Which denominations participate?

Mainline (92%) and Catholic (100%) congregations are the most frequent participants in human service provision, followed by traditional non-mainline congregations (79%) and theologically conservative congregations (74%). (See pie chart on page 3 for denominational categories.) There are differences among denominations regarding the types of human service programs they sponsor:

- Catholic parishes provide programs in food and clothing, legal/medical, and senior services far more often than do mainline, traditional non-mainline, or theologically conservative congregations.
- Mainline congregations are more likely to provide childcare programs, engage in building permanent housing, and to share the use of their space.
- Theologically conservative congregations are more likely to provide counseling and tutoring.
- Theologically conservative congregations are almost as likely as mainline congregations to provide emergency financial assistance. Both of these denominational groups are more likely than traditional non-mainline congregations or Catholic parishes to do so.
- Traditional non-mainline congregations are more likely to provide temporary shelter, national disaster relief, support to community associations, and to do fundraising.
- Traditional non-mainline congregations are equally as likely as theologically conservative congregations to provide youth recreation. Both groups are more likely than mainline congregations or Catholic parishes to do this sort of outreach.
- Family planning support services is one area where all the denominations are equally likely to provide programs.

- Theologically conservative congregations are more likely than Catholic parishes, one and one-half times more likely than mainline congregations, and twice as likely as traditional non-mainline congregations to offer independent rather than collaborative programs.



Who staffs these programs?

Fourteen percent (14%) of congregations engaged in human service outreach have a staff member who spends at least one quarter of his or her time involved in these programs. As the number of sponsored programs approaches three there is an increase in the frequency with which paid staff become involved in congregational programs. Adult volunteers offer significant help in human service programs (mean: 30 volunteers per congregation; median: 15 volunteers per congregation). Young people also volunteer (mean: 11; median: 6).

One-third of congregational human service programs are operated by the congregations alone; two-thirds are offered in partnership with other organizations. The majority of Indiana congregations, 58 percent, participate in or sponsor three or more human service programs.

What are the current governmental funding sources?

To date, most governmental funding of faith-based services comes under the Temporary Assistance to Needy Families

(TANF) program. Congregational programs eligible for TANF money include vocational/job training, counseling, childcare, and education, some of the family planning assistance programs, financial assistance, and shelters. The survey identified only 23 of 722 currently offered programs (3%) that might be eligible for TANF funding. This finding suggests that congregations offer few programs that qualify for state funding under existing guidelines. Among shelter programs and emergency financial assistance, only a small number of services mentioned by the congregations would qualify for TANF grants.

How are congregational human services funded?

Annual median spending on social service activities by congregations in the survey is \$1200, a figure consistent with spending by congregations nationally. In Indiana, mainline congregations spend the most (\$2000) and traditional non-mainline congregations the least (\$300). Catholic parishes and theologically conservative congregations spend \$1000 per congregation. While theologically conservative congregations give to their churches at a higher rate nationally than do either mainline or Catholic parishes, theologically conservative congregations in Indiana report somewhat less spending on social service activities than do mainline Protestant congregations.

Sixteen percent (16%) of congregations with human service programs receive funds from sources other than their own members. Twelve percent (12%) of these congregations receive money from government sources. Therefore, 2.4 percent of Indiana congregations reported receiving government funding, slightly under the national average of 3 percent. The proportion of Indiana congregations that would seek government funds, if available, is higher than the national average, 52 percent to 36 percent.³ An important caution is that these answers represent interest and willingness on the part of congregational spokespersons, mainly pastors, and may not reflect what the congregational members would actually do or how they would answer similar questions. Nonetheless, if even half the number of congregations reported here receive public funds it would, in the words of one scholar, “represent a major change in church-state relations in the United States, and a major increase in religious congregations’ participation in our social welfare system.”⁴

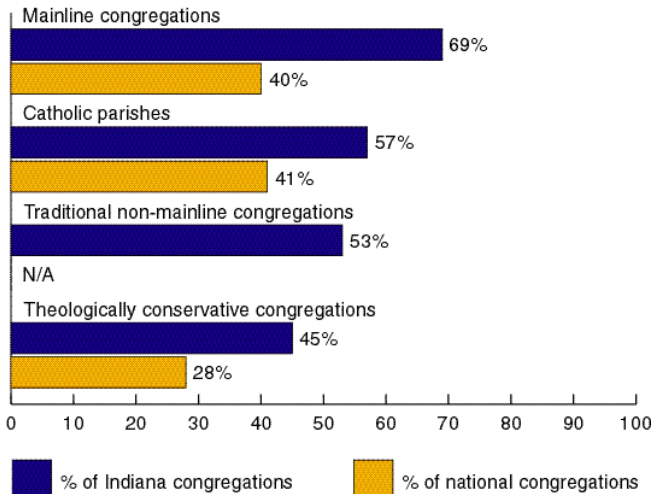
Sixteen percent (16%) of respondents indicated that their congregation had a policy against using government funds to provide human services. Nearly the same number was unsure if their congregation had such a policy. Congregational policy against government funding significantly reduces program participation among such congregations. Therefore, congregational policies against government funding likely would limit the delivery of services among this group.

Who is interested in Charitable Choice?

Sixty-nine percent (69%) of mainline congregations are interested in applying for government funding compared

to 45 percent of theologically conservative congregations. Differences among religious denominational groups for Indiana and the nation are reported in Figure 3.

Figure 3. Indiana and National Congregations That Would Apply for Government Funding if Available, by Theological Traditions



Looking at religious tradition combined with other factors gives a different picture about who is most interested in applying for government funds. Four factors—religious tradition, size of membership, race, and location—influence a congregation’s interest in government funding. In Indiana, large and midsize, mainline, suburban, and predominately African-American congregations are most likely to consider government funding. Nationally, large, mainline and Catholic, urban, and predominately African-American congregations are more likely to consider applying for public funding.⁵ While the African-American involvement remains the same, three differences exist between the Indiana patterns and the national outcomes.

- Unlike the national sample, two sizes of Indiana congregations—larger congregations (over 300 members) and congregations with between 100 and 160 members—are somewhat more likely than small congregations (fewer than 60 members) to consider applying for government funding.
- In Indiana, only mainline congregations are more likely to consider applying for public funding for social service programs compared to theologically conservative congregations.
- Suburban congregations in Indiana are one and one-half times more likely than urban congregations to consider applying for government funding; rural congregations are about three-fourths as likely as urban congregations.

Conclusion. Congregations in Indiana offer more human service programs than do congregations nationally, and they report a higher level of interest in applying for government funding. This is important, but the finding should be understood in relation to the particular types of congregations that are most active and which are most likely to make application for public funds. Most human service activity occurs in small and medium size congregations because they constitute about 94 percent of the congregations in the state. However, the likelihood of applying for government funding is greater among medium and large size congregations. A similar issue appears regarding faith tradition. While there are many more theologically conservative congregations in the state, mainline congregations spend the most on social outreach programs, participate at a high rate, and are the most likely to report willingness to apply for government funding.

* These categories contain programs that could potentially receive TANF monies. A wide variety of services are technically eligible to receive TANF funding. The State of Indiana’s use of TANF funding for direct support of faith-based organizations currently is focused primarily on services to promote self-sufficiency, services for non-custodial parents, and youth services. Other assistance, like food vouchers and other basic needs assistance, may be technically eligible for TANF funding; however, these types of assistance may trigger additional TANF policies like time limits and pose administrative burdens that outside providers would not be equipped to address.

- ¹ This study was undertaken by The Polis Center at Indiana University-Purdue University Indianapolis, under contract with FSSA to provide research services to Crowe, Chizek and Company LLP, project managers for FaithWorks.
- ² Chaves, Mark. et al. 1999a, “The National Congregations Study: Background, Methods, and Selected Results” *Journal for the Scientific Study of Religion*, 38: 458-476; 1999b, “Congregations and Welfare Reform: Who Will Take Advantage of ‘Charitable Choice?’” *American Sociological Review* 64 (6): 836-846. 1999c, “Congregations’ Social Service Activities” *The Urban Institute Brief No. 6*, December 1999.
- ³ The key survey item was, “Do you think your congregation would apply for government money to support your human services programs if it was available?” Informants also were asked, “Does your congregation have a policy against receiving funds from local, state, or federal government?” Those answering “yes” to this question were coded “no” on the “Do you think your congregation would apply . . .” item. Congregations currently receiving government funds were coded “yes” on the “Do you think . . .” item. Chaves, 1999b, fn 3.
- ⁴ Chaves, 1999b, p. 838.
- ⁵ Because our survey was limited to questions about human service activities, we did not ask all the questions that were part of the National Congregations Study. We could not evaluate exposure to secular institutional environments, percentage of a congregation’s membership that is poor, the distance people walk to services, or whether the institutions were theologically and politically conservative.

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